

City of Chattanooga  
Department of Economic and  
Community Development (ECD)

Public Meeting  
2019 - 2020 Action Plan  
for  
Community Development Grants



CDBG, HOME, & ESG Entitlement Grants &  
Program Income

March 28, 2019 - 5:30pm - 6:30pm  
DRC, 1250 Market St. Room 1A

# Purpose

- *Present funding recommendations and highlights of 2019 – 2020 Action Plan*
- *Present process and calendar*

# Sources: Entitlement Grants

- **Community Development Block Grant (CDBG)**
  - *Develop viable urban communities through*
    - Decent housing
    - Suitable living environment
    - Expanded economic opportunities
- **HOME Investment Partnerships Program (HOME)**
  - *Provide decent, safe, and sanitary affordable housing to lower-income households*
  - *Leverage private sector participation*
- **Emergency Solutions Grant (ESG)**
  - *Support operations and services of homeless shelters*
  - *Prevent families and individuals from becoming homeless*
  - *Rapidly re-house homeless individuals and families*

# HUD's National Objectives

- Benefit low to moderate income persons;
- Aid in the prevention of slums and blight;
- Address needs having a particular urgency

# *2015 -2019 Consolidated Plan* City's Goals to Address Housing & Community Development Needs

- Increase supply of affordable rental housing and housing for homeownership available to the City's low-to-moderate income households;
- Preserve existing affordable housing stock;
- Provide housing and services to special needs populations;
- Improve/increase opportunities for citizens to access/retain affordable housing;
- Support neighborhood stabilization and development through public improvements in strategic coordination with housing activities, and;
- Promote economic development activities in the City.

# Target Populations

The following income categories are used for programs:

- Extremely low – households with income less than 30 percent of area median income (AMI)
- Very low – households with income between 30 and 50 percent of AMI
- Low – households with income between 51 and 80 percent of AMI
- Moderate – households with income between 81 and 120 percent of AMI
- Above moderate – households with income above 120 percent of AMI

2018 Income Limits (Median Family Income: \$61,700)				
Family Size	Low Income 80% AMI	60% AMI	Very Low 50% AMI	Extremely Low 30% AMI
1 Person	\$34,550	\$25,950	\$21,600	\$12,950
2 Person	\$44,450	\$29,640	\$24,700	\$14,800
3 Person	\$49,350	\$33,360	\$27,800	\$16,650
4 Person	\$53,300	\$37,020	\$30,850	\$18,500
5 Person	\$57,250	\$40,020	\$33,350	\$20,000
Rents:				
CDBG and ESG projects/programs will use the most recent HUD published Fair Market Rents.				
HOME projects/programs will use HUD published High and Low HOME Rents				

# 2019 – 2020 Entitlement Funding & Program Income (Estimates)\*

	CDBG	HOME	ESG	TOTAL
<b>Grant</b>	\$1,691,000	\$893,257	\$140,000	\$2,724,257
<b>Program Income</b>	\$512,000	\$450,000	\$0	\$962,000
<b>Total</b>	\$2,203,000	\$1,343,257	\$140,000	\$3,686,257

*\*Funding budgets and proposed recommendations are contingent upon actual allocations from HUD. Budgets and funding recommendations will be proportionally decreased (with the exception of Debt Service), if actual allocations are less than estimates. If allocations are more than estimates, CDBG excess will be allocated to ECD Housing Preservation programs and any excess in ESG will be allocated to Hamilton County and Admin.*

# FY 2019 – 2020 - CDBG Community Development Block Grant Funding Recommendations

Applicant	Recommend	Request
<b>ECD &amp; CITY PROGRAMS</b>		
<b>COMMUNITY DEVELOPMENT – GRANT ADMINISTRATION</b> To manage grants - ensuring compliance with all Federal requirements, including Analysis of Impediment to Fair Housing plan.	\$440,600	\$440,600
<b>SECTION 108 DEBT SERVICE</b> Payments to retire debt used for community & economic development projects/programs	\$400,000	\$400,000
<b>CODE ENFORCEMENT/BLIGHT ELIMINATION</b> Demolition of dangerous, substandard structures in LMI neighborhoods.	\$100,000	\$100,000
<b>TRANSPORTATION DEPARTMENT - SIDEWALKS</b> Installation of sidewalks in LMI neighborhoods	\$200,000	\$350,000
<b>PUBLIC WORKS DEPARTMENT - SLAP</b> Installation of new lateral sewer lines to homes of LMI homeowners	\$25,000	\$25,000
<b>ECD AFFORDABLE HOUSING PRESERVATION</b> Funds utilized in preserving affordable rental and homeowner housing	\$412,062	\$412,062
Subtotal	\$1,577,662	\$1,727,662

# FY 2019 – 2020 - CDBG, Cont.

## Funding Recommendations

Applicant	Recommend	Request
<b>CHATTANOOGA COMMUNITY HOUSING DEVELOPMENT (CCHDO)</b> To provide roofing replacements through forgivable loans (over 5 years) to appx. 28 Chattanooga LMI homeowners.	\$250,000	\$250,000
<b>CATHOLIC CHARITIES OF EAST TENNESSEE</b> Renovation of The Home Place – Supportive housing for persons living with HIV/AIDS	\$15,000	\$12,588
<b>CHATTANOOGA NEIGHBORHOOD ENTERPRISE</b> To provide low interest loans to appx. 12 homeowners for major home improvements and to cover related program delivery costs.	\$250,000	\$250,000
<b>FAMILY PROMISE</b> Housing/Stabilization Case Manager to serve appx. 100 homeless, enabling them to quickly transition from shelter to permanent housing and achieve stability.	\$25,000	\$50,000
<b>HABITAT FOR HUMANITY OF GREATER CHATTANOOGA</b> Funding to assist homeowners with exterior, weatherization, and/or critical repairs on approximately 12 – 15 homes.	\$50,000	\$50,000
<b>EXODUS MINISTRIES, INC</b> Exodus Homeless Support Program – Funding for 1 full-time or 2 part-time supportive services specialist to provide case management to homeless individuals.	0	\$40,000
<b>CHATTANOOGA REGIONAL HOMELESS COALITION (CRHC)</b> Funding for two systems to coordinate homeless services and housing	\$35,338	\$35,338
<b>Subtotal</b>	<b>\$625,338</b>	<b>\$687,926</b>
<b>TOTAL</b>	<b>\$2,203,000</b>	<b>\$2,415,588</b>

# FY 2019 – 2020 - ESG Emergency Solutions Grant Funding Recommendations

Applicant	Recommend	Request
<b>CHATTANOOGA HAMILTON COUNTY HEALTH DEPARTMENT</b> Homeless rapid re-housing and prevention for households receiving case management and/or supportive services through homeless coordinated entry system serving homeless families and individuals in the City.	\$129,500	\$130,000
<b>CHATTANOOGA ROOM IN THE INN</b> Rapid rehousing stabilization and case management, housing search and placement, and HMIS licensing and data entry.	\$0	\$31,200
<b>GRANT ADMINISTRATION</b>	\$10,500	\$10,500
<b>TOTALS</b>	<b>\$140,000</b>	<b>\$171,700</b>

# FY 2019 – 2020 - HOME HOME Investment Partnerships Program Funding Recommendations

Funding is allocated to projects through open RFP solicitations throughout the year.

AFFORDABLE HOUSING PRESERVATION AND PRODUCTION	\$1,007,780
MINIMUM REQUIRED CHDO SET-ASIDE	\$133,989
GRANT ADMINISTRATION	\$201,488
TOTAL	\$1,343,257

# Five-Year Goals

Goal	Period	Funding	Outcome - Indicator
Increase Affordable Housing Opportunities	2015-19	CDBG \$3,586,490 HOME \$3,714,435	<p>50 Homeowner units added (YTD 29)</p> <p>1,107 Rental units constructed/developed (YTD 94)</p> <p>100 Rental units renovated (YTD 484)</p> <p>1,305 Homeowner units renovated (YTD 365)</p> <p>100 Households assisted with home purchase (YTD 20)</p> <p>90 Housing units for homeless added</p> <p>10,000 Assisted with homebuyer education, counseling, and Fair Housing education, (10,000+)</p>

Goal	Period	Funding	Outcome - Indicator
Provide Services and Housing for Homeless	2015-2019	CDBG \$420,000 ESG 698,000	1,075 Households assisted with tenant-based rental assistance/rapid-re-housing (YTD 1090) 2,000+ Assisted through overnight shelters (FY 1,124) 373+ Provided with services to prevent homelessness (FY 142)

Goal	Period	Funding	Outcome - Indicator
Increase Employment Opportunities	2015-2019	CDBG \$2,150,000	Jobs created/retained: 180 Jobs (YTD 106)  Businesses assisted: 45 Businesses Assisted (YTD 15) Outreach 1,884

Goal	Period	Funding	Outcome - Indicator
Community Dev Public Facilities & Infrastructure	2015-2019	CDBG: \$1,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 63,867 Persons Assisted (63,867)



# City of Chattanooga

## Low- moderate Income Census Tracts

Area	Census Tract	Percentage L/M	Race/Ethnicity				
			White	Black	Hispanic	Am. Indian	Asian
Orchard Knob, Avondale	4	68.45%	6.8%	89.2%	2.4%	0.6%	0.0%
Hill City	8	68.31%	64.7%	32.8%	1.1%	1.6%	0.0%
Fortwood	11	62.87%	29.5%	50.2%	23.3%	0.0%	0.0%
Glenwood	12	61.11%	13.6%	84.8%	0.7%	1.2%	0.0%
East Lake, Ridgedale	13	74.25%	38.6%	50.5%	18.5%	0.4%	0.0%
Highland Park	14	66.42%	56.1%	42.2%	9.7%	0.0%	0.2%
Westside	16	100.00%	18.3%	80.0%	0.0%	0.9%	0.8%
South Chattanooga, Alton Park, Piney Wood	19	85.83%	2.8%	94.7%	1.3%	0.3%	0.0%
Southside	20	85.02%	21.0%	65.1%	11.5%	2.4%	0.0%
Clifton Hills,	23	68.56%	43.4%	29.3%	26.5%	0.9%	0.0%
Cedar Hill, East Lake	24	78.12%	72.9%	13.0%	28.3%	2.0%	3.7%
East Lake	25	80.76%	35.7%	55.1%	11.4%	2.1%	0.0%
Oak Grove	26	75.76%	34.5%	49.4%	24.3%	0.0%	0.0%
Downtown	31	60.53%	64.2%	34.7%	3.3%	0.0%	0.0%
Foxwood Heights	32	61.81%	15.5%	75.6%	5.2%	3.9%	0.0%
Signal Mt. Blvd.	109.02	70.31%	100.0%	0.0%	0.0%	0.0%	0.0%
Eastdale	114.44	59.59%	17.3%	80.8%	2.4%	0.0%	0.0%
Shepherd	114.45	51.24%	55.2%	39.5%	10.2%	0.0%	1.1%
Avondale, East Chattanooga	122	86.55%	5.7%	92.9%	2.0%	0.0%	0.0%
Amnicola, East Chatt, Glass Farm	123	66.32%	30.5%	63.9%	0.8%	2.0%	1.2%
ML King, Fortwood	124	68.17%	64.1%	28.5%	2.1%	0.1%	6.6%

Data Source: 2007-2011 ACS

# Grant Cycle

## Community Development 2019-2020 Tentative Calendar

<b>December 19 - 21, 2018</b>	<b>Publications announcing Application/Allocation/Funding Process &amp; Workshops for Emergency Solutions Grant (ESG) and Community Development Block Grant (CDBG)</b>
<b>January 2, 2019</b>	<b>Applications Available</b>
<b>January 4, 2019</b>	<b>Application/Allocation Workshops for Emergency Solutions Grant (ESG) and for Community Development Block Grant (CDBG)</b>
<b>January 15, 2019</b>	<b>Application Technical Assistance</b>
<b>February 4, 2019</b>	<b>Applications Due</b>
<b>February 26, 2019</b>	<b>Meetings/Applicant Interviews to Determine Funding Recommendations (CDBG)</b>
<b>Veranda Room</b>	<b>Meetings/Applicant Interviews to Determine Funding Recommendations (ESG)</b>
<b>March 12, 2019</b>	<b>Presentation of Recommendations to Council</b>
<b>March 14-16, 2019</b>	<b>Publication/Announcement of Public Meeting and Public Comment</b>
<b>March 15 through April 15, 2019</b>	<b>30 - Day Comment Period for Funding Recommendations</b>
<b>March 28, 2019</b>	<b>Public Meeting - Action Plan - Outlining Funding and Activities</b>
<b>April 15, 2019</b>	<b>30-Day Comment Period Ends</b>
<b>April 16, 2019</b>	<b>City Council Approval - Resolution</b>
<b>April 17, 2019</b>	<b>Award/Rejection Notifications</b>
<b>April 19, 2019</b>	<b>Submit Action Plan to HUD</b>
<b>May 2019</b>	<b>Contracts to Mayor to Sign</b>
<b>June 11, 2019</b>	<b>Subrecipient Training and Contract Signing</b>
<b>July 1, 2019</b>	<b>2019-2020 Fiscal Year Begins</b>
<b>September 2 - 4, 2019</b>	<b>Publication/Announcements of Public Meeting and Availability of Consolidated Annual Performance Evaluation Report (CAPER)</b>
<b>September 17, 2019</b>	<b>Public Meeting - CAPER</b>
<b>September 9 - 24, 2019</b>	<b>15-Day Comment Period</b>
<b>September 27, 2019</b>	<b>Submittal of CAPER to HUD</b>

## Next Steps - Calendar

- Prepare plan and make available for 30-day public comment period

March 15 – April 15, 2019

- Public Meeting – March 28, 2019  
DRC, 5:30pm - 6:30pm

- City Council Vote – April 16, 2019

- Submit Plan to HUD – April 19, 2019

- Prepare Agreements – June

- Program Year Starts – July 1

- Questions?
- Comments?

Until April 15, 2019

- ECD (423)643-7300; 643-7332
- 101 East 11<sup>th</sup> Street, Suite 200  
Chattanooga, TN 37402